

# COUNTY - PORTER



**PORTER COUNTY  
ADMINISTRATION CENTER**  
155 INDIANA AVENUE  
SUITE 211  
VALPARAISO, INDIANA 46383

**JON M. SNYDER**  
PORTER COUNTY ASSESSOR

TELEPHONE: (219) 465-3460  
FAX: (219) 465-7064  
E-MAIL: [JSNYDER@PORTERCO.ORG](mailto:JSNYDER@PORTERCO.ORG)

To: Barry Wood, Assessment Director  
Indiana Department of Local Government Finance

From: Jon M. Snyder, Assessor  
Porter County

Date: May 19, 2011

Re: Submission of Porter County Ratio Study per IC 6-1.1-4 and 50 IAC 27

## Overview of Study and Procedures

Porter County submits its 2011 pay 2012 Ratio Study as required by the Department of Local Government Finance [DLGF] in 50 IAC 27, and per guidance given in memoranda issued by DLGF staff. This memo describes the procedures undertaken and the results of the equalization [trending] steps which were followed.

Porter County undertook its Ratio Study this year with no outside assessment consultant, although the firm, Policy Analytics LLC, provided data handling and statistical consulting assistance throughout the ratio study process and functioned as part of the "staff team." The Assessor's office undertook a number of analytical steps in addition to the work required for the ratio study. An analysis of MLS data from calendar year [CY] 2008 through February 2011 provided general trend data by value segments of the residential improved market. The team also reviewed prior year assessment / sales ratio data to look at multi-year movements in the relationships between sales and assessed values.

The ratio study statistics, grouped by township are included in a single spreadsheet with filename Porter\_Ratio\_Study\_2011. The "Workbook" for Porter County is attached as file, Porter\_Workbook\_2011. A file with mapping showing consolidation of neighborhoods into strata has been attached per your instructions. Because of the few sales throughout the County this year and the number of neighborhoods established since the last general reassessment [approximately 600], we consolidated neighborhoods into strata based on general characteristics, location, taxing district and average assessed value. This allowed for specificity in ratio calculation and yet maintained statistical significance.

## **Residential Trending Analysis and Outcomes**

Porter County did not have sufficient valid sales during CY 2010 and the first two months of CY 2011 to provide statistically demonstrable trending factors for the numerous neighborhoods still being utilized in the datasets. The staff team looked at MLS data and prior year sales ratio data files to discern trends, but only sales within the defined time period were eventually deemed usable. While prior year sales were closely scrutinized, the team did not find appropriate valid sales that would assist in the analysis. Additionally in view of the few sales, some limitations were placed on the application of trending factors to avoid “overcorrection errors” when the ratios and equity relationships – prior to the application of trending ratios – were within the standards, [Wood, Memorandum, January 11, 2011].

The essential strategy that was adopted was to combine neighborhoods with similar characteristics into strata containing sufficient sales for trending. The staff team utilized GIS data to analyze the geographic parameters and with the neighborhood specific characteristics map the strata to assist in the consolidation process. For townships located in the northern and central portions of the County the strata are primarily contained within a single township. Because of few sales, the residential sales ratios for townships in the southern part of the County are combined across township lines.

## **Township Specific Discussion – Residential Improved**

In order to clearly identify the processes used in the application of the results from the ratio study, the sections below discuss the challenges in analyzing and the steps undertaken in application of the trending results.

### **Center Township**

Center Township encompassing the City of Valparaiso contains 13,363 parcels, approximately 25% of the total residential improved parcels in the County. There were 429 valid parcel sales in this township during the requisite time period, representing 3.2% of the residential improved parcels in the township. Center Township also contains two taxing districts, Valparaiso and the unincorporated area of the township. Valparaiso University is located in the City and demand for off-campus housing impacts certain segments of the market. The neighborhoods and properties with the highest assessed values in both taxing districts were observed to move generally in tandem and the movement was downward – a trend observed throughout the county. Across the balance of the neighborhoods, there was a general but very slight upward trend observed in the sales ratio data. Including all neighborhoods and all strata the trend was up by 1.2%.

### **Portage Township**

Portage Township, including the town of Portage, comprises more than 25% of the residential improved parcels in the County – 14,468 residential improved properties, with 302 valid parcel sales. All groupings of neighborhoods within the township exhibited median ratios greater than one, except for lower valued properties in the unincorporated area of the

township – this strata was not trended. The Town of Ogden Dunes, located along the Lake Michigan shoreline and containing some of the highest valued residential property in the County, saw the most extreme reductions in median ratios. Another township neighborhood [“Yogi Bear”], containing campground properties, with very small parcel areas, was not trended because of its anomalous characteristics. Overall the township’s trend was downward, on average by 3.6%.

### **Westchester and Pine Townships**

Along with Portage Township, Westchester and Pine townships lie along the Lake Michigan shoreline. Westchester includes portions of the towns of Chesterton and Porter. Pine Township contains the Towns of Beverly Shores and Pines, in addition to large unincorporated areas away from the shoreline. Because of the substantially differing characteristics in the neighborhoods and also the few sales in each area, the neighborhoods within Pine Township were stratified with similar areas in Westchester Township, where possible. In Westchester and Pine Townships we observed a trend demonstrated among higher valued properties and neighborhoods throughout the county, values needed to be adjusted downward to account for the market data. This trend was also exhibited in the sales ratios for this class of properties from prior years. There were only six valid sales from neighborhoods in the unincorporated areas away from the shoreline in Pine Township in the time period of CY 2010 and January and February of 2011. The team reviewed these sales closely and decided that a small trending factor of a 2% increase was warranted.

### **Boone, Pleasant, Porter and Morgan Townships**

These four townships, located in the southern portion of Porter County, are predominantly rural. There are two small incorporated areas, Hebron and Kouts, located in Boone and Pleasant townships respectively. Due to the small number of sales, the rural areas of these four townships were stratified together and the two towns were also combined to provide sufficient sales. In addition, a neighborhood surrounding Porter Lakes was analyzed separately. Higher valued properties saw a slight downward trend but small enough not to require the application of a factor. The towns of Hebron and Kouts exhibited a more significant downward movement and were trended accordingly. The lower valued properties were stable or increasing in value. This is in accordance with MLS data which shows that average sales prices over the past year in Porter County for the residential improved market below \$150,000 moved upward by 6.7% in the last year.

### **Jackson, Liberty, Union and Washington**

Neighborhoods were consolidated within each of these four townships separately to create trending strata based on neighborhood characteristics, including location and value. While there were sufficient sales in each township for a few strata, the small number of sales required significant analysis to determine appropriate strata and general trends. In general, higher value properties were adjusted downward, while mid and low value properties remained constant or received slight upward adjustments.

### **Residential Unimproved Property Class**

Because of developer discounts and multiparcel/bulk sales, the majority of residential improved sales were not eligible for use in the ratio study. The few valid residential unimproved sales were stratified and evaluated at the county level. The valid sales demonstrated a downward trend of 2%.

### **Commercial Improved Property Class**

There are 2,818 parcels in the Commercial Improved Property class in Porter County. In the time period of record there were 94 sales throughout the County, of which 16 met the criteria for validity. As a result, this property class was adjusted down at 1.4%.

### **Commercial Unimproved, Industrial Improved, and Industrial Unimproved**

There were fewer than five valid sales in each of the commercial unimproved, industrial improved and industrial unimproved property classes. The sales data did not demonstrate a change in market values, and no trending factor was applied for these property classes.